

Mr. M. Sivarama Menon (Advocate-General): The question involved in the reference was whether another foreign State will enforce any claim for collection of the tax of any other State. It is not like ordinary cause of action. The question was whether we should sue him in British India, because he had assets somewhere in British India and the question arose as to whether such a suit would lie in British India on a cause of action which has arisen here for the collection of tax. No foreign State would enforce that. That is the English Law from time immemorial and that is the American Law also. Because there was difference of opinion between the Law officers of this Government, it was thought necessary and advisable that the opinion of the Advocate-General of Madras should be taken on that point.

Mr. A. B. Salem (Mattancheri): What was the opinion of our Advocate-General here?

Mr. M. Sivarama Menon (Advocate-General): That the suit cannot be maintained.

Mr. A. B. Salem (Mattancheri): What was the opinion of the Madras Advocate-General?

Mr. M. Sivarama Menon (Advocate-General): Same opinion, but because there was some difference of opinion between the Law officers, it became necessary to make a reference to the Madras Advocate-General.

Mr. T. P. Poullose (Kanayannur): I do not quite follow how there was difference of opinion between the Law Officers of the State.

Mr. M. Sivarama Menon (Advocate-General): On a previous occasion, there was the opinion that a suit can be instituted.

Mr. A. B. Salem (Mattancheri): Why not approach the British Government and try to realise the tax.

Mr. M. Sivarama Menon (Advocate-General): Unless there is reciprocal legislation, this claim cannot be enforced. The Courts have no jurisdiction.

Mr. A. B. Salem (Mattancheri): That is about suing in Courts. Why not treat it just like revenue recovery. If some revenue is due to the British Government from some person who has come to Cochin State, don't we recover and give it to British Government.

Mr. M. Sivarama Menon (Advocate-General): No.

Mr. A. B. Salem (Mattancheri): Oh Yes. I know of instances.

Mr. T. P. Poullose (Kanayannur): Which is that instance?

Mr. A. B. Salem (Mattancheri): There have been instances. Let the Secretary say no.

Rama Varmha Tampuran (Secretary to Government): In some rare cases, in certain revenue matters certain references used to come occasionally. I do not know whether that will be parallel to a case like this.

Mr. T. P. Poullose (Kanayannur): That is to say there is a reciprocal arrangement to collect tax due to the British Government.

Rama Varmha Tampuran (Secretary to Government): Not exactly a reciprocal arrangement. It is only a question of persuasion, tried by amicable means, to recover the money. The duty would have been admitted and the party might be here. In that case, the Madras Government or any other Government elsewhere might write to us to see if the party could be met and if he could be persuaded to pay the money.

Mr. T. P. Poullose (Kanayannur): May I know whether this Government would take any action, any coercive steps to recover the money.

Rama Varmha Tampuran (Secretary to Government): Only by amicable means and not by coercion.

Demand put and carried

4. Rs. 4,725 under "39—Miscellaneous—5—Standard Cloth"

Rama Varmha Tampuran (Secretary to Government): Sir, I rise to move for an additional allotment of Rs. 4,725—under "39—Miscellaneous—5—Standard Cloth". This amount is required on account of the salary and allowances due to the staff employed to supervise the working of the standard cloth scheme, as also the general control schemes with regard to cloths and yarn. Additional staff had to be employed as we found that our control orders were more and more comprehensive and a definite executive supervision was necessary to check the actions of the licensed dealers. Therefore, this additional amount is required on that account.

Mr. C. J. Mathew (Joint Secretary to Government): I second it.

Mr. A. B. Salem (Mattancheri): What is the total number of yards of standard cloth that have come in?

Rama Varmha Tampuran (Secretary to Government): We have been allotted 4 and odd million yards of standard cloth, of which about 12,75,000 have been received.

Mr. P. Kumaran Ezhuthassan (Vadakkancheri): Before I move my cut motion, Sir, I want to get the following information from the Government I should like to know what was the

original establishment for which Rs. 6,784 had been provided under 39—5, because the budget did not give us the details.

Rama Varmha Tampuran (*Secretary to Government*): The establishment charges comes to only Rs. 2,890.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): I want to know the number of hands, the nature of the office, etc.

Rama Varmha Tampuran (*Secretary to Government*): The details I have not got here. T. A. covers 175 fixed T. A. comes to 1,560 and including other charges of administration the total comes to Rs. 6,225.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): The next point I want to know with regard to the Supplementary demand is the number of field Officers mentioned in the notes.

Rama Varmha Tampuran (*Secretary to Government*): There are in all 5 of them.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): The strength of the Office of the Director of Industries which is proposed to be strengthened by this additional staff? The purpose mentioned is the strengthening the office of the Director of Industries. The number of hands and the nature of the post may be given.

Rama Varmha Tampuran (*Secretary to Government*): The posts are clerical posts.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): I should like to know when the first notification regarding the standard cloth was published by the Government and the purport of the notification.

Rama Varmha Tampuran (*Secretary to Government*): Unfortunately I have not got the details here, as to the date on which the first notification relating to standard cloth was published.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): The point of my cut is not understood by the Government.

Rama Varmha Tampuran (*Secretary to Government*): On the cut motion we have got ready answers.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): Can I have this information?

Rama Varmha Tampuran (*Secretary to Government*): I shall have it looked up. I have not got the exact date.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): In the wording of the cut motion I would like to know what the Government propose to do with the undisposed of stock with the merchants.

Rama Varmha Tampuran (*Secretary to Government*): At first the idea here was that all unstamped cloth that were in the possession of merchants after 31st October 1943 will have to be taken over by the Government. Later the time was extended and now it is said that upto 31st December 1943 this order will not come into force. After that order what should be done with this kind of cloth has not been decided. We have a reply from the Textile Commissioner, Bombay that they are considering the question and they will intimate to us what they are going to do in British India. As soon as we receive the information we have also to set up a similar machinery. We are taking parallel action to what is done in British India. We are not doing anything independently and we have to wait for definite instructions from the Textile Commissioner. As a matter of fact, the standard cloth is issued to us on the undertaking that our action will be quite analogous and parallel to the action that is being taken in British India from time to time with regard to standard cloth and all control over cloth and yarn. Therefore we are waiting for the report from the Textile Commissioner, Bombay to decide what machinery we have to set up and how the unstamped cloth that remains with the merchants after 31st December 1943 will have to be disposed of. One thing is very definite, that is, this date will not be extended after 31st December 1943 because a very definite and categorical statement like that was issued by the Textile Commissioner only a week ago. On that one point we are very definite. How we are to dispose of the cloth we have yet to see. We await instructions from the Textile Commissioner.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): May we take it that the disposal of the unstamped cloth will be just the same way as the disposal of the unstamped cloth in British India.

Rama Varmha Tampuran (*Secretary to Government*): Yes. It has to be so.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): I think the Government is aware of the Conference that is to meet at Bombay in the middle of this month. I find a paper report that about the middle of December a conference to consider this identical question, a conference of

the representatives of the Provinces and also of the States is to be held. I think the Government is notified on that.

Rama Varmha Tampuran (*Secretary to Government*): I have not any official information about this conference.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): The paper report is like that. I want to know whether any official is representing our State in the Conference.

Rama Varmha Tampuran (*Secretary to Government*): No information has reached us so far. We follow the Government of India Policy in this matter. There was a conference in Madras about 10 days ago and our Director of Industries had been present there. With regard to the conference the hon'ble member refers to we have no official information.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): I would like to know, Sir, whether these conferences are intimated to you and whether your representatives are asked to go there.

Rama Varmha Tampuran (*Secretary to Government*): Yes. We are asked.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): Here is a conference called to consider the question of seizure of unstamped cloth and yarn lying with the merchants and their subsequent disposal. This information is published in the Hindu of 11th December. May I take it that the Government are not aware of or notified of it?

Rama Varmha Tampuran (*Secretary to Government*): We have not notified of it. We have no official information.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): In view of the specific answer given that the disposal of the unstamped cloth will be in the same way as that in British India I don't want to have a discussion.

Mr. C. V. Iyyu (*Kunnamkulam*): Will the Hon'ble Secretary to Government be pleased to inform me whether the Government is going to have this standard cloth entrusted for sale to the ordinary cloth dealers?

Rama Varmha Tampuran (*Secretary to Government*): Standard cloth will be entrusted to the licensed dealers for sale.

Mr. C. V. Iyyu (*Kunnamkulam*): Is it to be entrusted to cloth dealers or Fair Price Shop keepers?

Rama Varmha Tampuran (*Secretary to Government*): Both. It will be sold by the fair price shop keepers and the licensed dealers.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): One other information also I want. Is the Government in possession of the proceedings of the inaugural meeting of the Piece Goods Merchants Association of Ernakulam held on 13th December at the shop of Mr. A. S. Bava under the chairmanship of Mr. A. B. Mohammed?

Rama Varmha Tampuran (*Secretary to Government*): We have not received that.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): It is stated in this "the only solution will be to ask the Government to fix a reasonable price for the unmarked goods and thereby enable the merchants to clear off the existing stocks of unmarked goods once for all." Will the Government be falling into the snares that are being prepared for them by these merchants interested as they are? These seized goods will have to be confiscated because of the sufficient warning given to dispose of the stock before a given date.

Mr. Shabdai S. Koder (*Nominated*): On a point of order, Sir. The cut motion refers to the standard cloth, whereas the Hon'ble Member refers to unstamped cloth. These two are different things.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): Sir, this observation of the Hon'ble representative of the Jews is more delicate and intricate than the hair splitting arguments of paid advocates which are indulged in at times in Courts of law. My friend's position that standard cloth has nothing to do with unstamped cloth shows his colossal ignorance. These two are intimately connected. In the light of the Secretary's answer that we are supplied with standard cloth on the strictest understanding that unstamped cloth will be disposed of in the manner in which the Government of India disposes of it, the connection is there. Hence it is that I draw the attention of the Government to the paragraph in the proceedings of the meeting. My prayer is, don't fall a victim to these snares.

Rama Varmha Tampuran (*Secretary to Government*): You may be sure that all these and similar statements will be duly considered by the authorities in Bombay before they decide this point.

Mr. A. B. Salem (*Mattancheri*): Have they decided on confiscation in Bombay?

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): Who said that it is going to be confiscated?

Mr. A. B. Salem (Mattancheri): You said that the cloth is to be confiscated after 31st December 1943.

Mr. P. Kumaran Ezhuthassan (Vadakkancheri): I read a passage from Hindu of a meeting the purport of which is mentioned here as seizure of unstamped cloth and yarn lying with dealers and for the subsequent disposal of such confiscated goods. Confiscation has got its own meaning.

Demand put and carried

5. Rs. 177 under "32—Industries—Direction and Inspection—Furniture"

Mr. C. J. Mathew (Joint Secretary to Government): Sir, I move for an additional allotment of Rs. 177 under "32—Industries—Direction and Inspection—Furniture". This is only to supply a few items of furniture to the Office of the Director of Industries consequent on the additional staff appointed in connection with the control of standard cloth.

Rama Varmha Tampuran (Secretary to Government): I second it.

Demand put and carried

6. Rs. 13,371 under "39—Miscellaneous—Excise—Price Control Measures"

Mr. C. J. Mathew (Joint Secretary to Government): Sir, I rise to move for an additional allotment of Rs. 13,371 under "39—Miscellaneous—Excise—Price Control Measures." This is to disburse the pay, travelling allowances, etc., to the additional staff appointed in the Excise Department to enforce the control orders and prevent smuggling of articles controlled by the Government.

Mr. A. B. Salem (Mattancheri): Would the hon'ble member be pleased to explain the necessity for the additional Excise staff to prevent smuggling of rice and paddy when the whole stock of paddy is completely under the control of the Government?

Mr. C. J. Mathew (Joint Secretary to Government): In 1118 nearly 474 cases of smuggling were detected and in 1119 up-to-date about 110 cases. This evidently shows that it is absolutely necessary to have a very effective and strong staff to prevent smuggling.

Mr. A. B. Salem (Mattancheri): What is the nature of smuggling now? Every grain of rice is in Government's hands. There is no rice that could be sold by anybody. Therefore there is no possibility of any smuggling.

Mr. M. Sivarama Menon (Advocate-General): Suppose the land lords who are in possession of paddy give a false statement and keep some paddy in hiding and manipulate and sent it to others and finally to the black market and they try to export from the State. Thus there is scope for smuggling.

Mr. M. M. Paul (Director of Food Supplies): There are several articles that should not be taken out without permits.

Mr. K. Narayana Menon (Mulakunnathukavu): May I know whether these hands are newly appointed in the Excise Department for this purpose.

Mr. C. J. Mathew (Joint Secretary to Government): I shall furnish the details. 5 Sub-Inspectors.....

Mr. K. Narayana Menon (Mulakunnathukavu): May I know whether they are newly appointed Officers in the Department.

Mr. C. J. Mathew (Joint Secretary to Government): Yes. After the Budget.

Mr. K. Narayana Menon (Mulakunnathukavu): May I further know whether there is any sanctity in having these officers appointed in the Excise Department in preference to the Food Control Department itself.

Mr. C. J. Mathew (Joint Secretary to Government): There is already a preventive force attached to the Excise Department. It was thought more economical to increase the existing force.

Mr. K. Narayana Menon (Mulakunnathukavu): Are the Government aware that the division of responsibility and differential authority with regard to its control has really worked havoc and hardship in the execution of these orders.

Mr. C. J. Mathew (Joint Secretary to Government): Government are not aware.

Mr. K. Narayana Menon (Mulakunnathukavu): Is it not too late for the Government to realise at least now.

Rama Varmha Tampuran (Secretary to Government): There is no confusion.

Mr. K. Narayana Menon (Mulakunnathukavu): I will explain. I do not want to refer to instances which I know personally. But I recall the fact that Excise officers owing allegiance to the Excise Commissioner, Revenue officers owing allegiance to the Diwan Peishkar, Food control officers owing allegiance to the Director of Food Supplies are conflicting and the result is that people suffer. That is a fact. There is no fiction in it.

Mr. C. J. Mathew (Joint Secretary to Government): There is no such conflict.

Deputy President: Mr. Ezhuthassan, you can elicit the information required for the cut motion.